Financial Statement
2000-01

School Division Tax Loss Compensation Fund

102-00014/

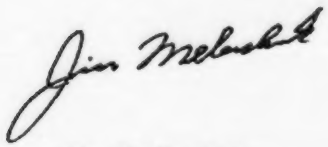
Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the School Division Tax Loss Compensation Fund for the year ending March 31, 2001.

Respectfully submitted:



Jim Melenchuk
Minister of Education

SCHOOL DIVISION TAX LOSS COMPENSATION FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2001

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the School Division Tax Loss Compensation Fund as at March 31, 2001 and the statement of revenue, expenditure and fund balance for the year then ended. The School Division Tax Loss Compensation Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the School Division Tax Loss Compensation Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
August 29, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

School Division Tax Loss Compensation Fund
Balance Sheet
as at March 31

	2001	Restated 2000 (Note 6)
ASSETS		
Due from General Revenue Fund (Note 4)	$ 3,095,511	$ 2,874,552
Accounts Receivable	210,114	853,856
	$ 3,305,625	$ 3,728,408
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	$ 447,528	$ 1,287,292
Fund balance (Statement 2)	2,858,097	2,441,116
	$ 3,305,625	$ 3,728,408

(See accompanying notes to the financial statements)

School Division Tax Loss Compensation Fund
Statement of Revenue, Expenditure and Fund Balance
For the Year Ended March 31

	2001	Restated 2000 (Note 6)
REVENUE:		
Contributions	$ 1,041,264	$ 2,418,941
Investment Interest	156,665	108,139
Total Revenue	1,197,929	2,527,080
EXPENDITURE:		
Compensation to school divisions	780,948	1,814,206
Excess of Revenue over Expenditure	416,981	712,874
Fund balance, beginning of year	2,441,116	1,728,242
Fund balance, end of year (Statement 1)	$ 2,858,097	$ 2,441,116

(See accompanying notes to the financial statements)

SCHOOL DIVISION TAX LOSS COMPENSATION FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Purpose and Creation of the Fund

The School Division Tax Loss Compensation Fund (Fund) was created by an amendment to *The Education Act* through *The Treaty Land Entitlement Implementation Act.* The amendment came into force on June 22, 1993. On December 14, 1994, by Order in Council #840/94, the Lieutenant Governor in Council established regulations to administer the Fund.

The Fund is administered by the Department of Education on behalf of school boards. The purpose of the Fund is to provide tax loss compensation to school divisions that lose tax revenue as a result of lands within that school division being set apart as an Indian reserve. The Fund receives money from the provincial (Intergovernmental and Aboriginal Affairs) and federal (Indian Affairs and Northern Development Canada) governments as part of the Treaty Land Entitlement Framework Agreement. Payments are made to affected school divisions according to the formula stated in the regulations.

2. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant:

a) Accrual basis

The financial statements are prepared on the accrual basis of accounting.

3. Related Party Transactions

The fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Education. Included in revenue is $312,379 (2000 - $725,682) from Intergovernmental and Aboriginal Affairs, of which $96,889 (2000 - $257,810) was receivable at March 31, 2001.

4. Due From General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund. Under this arrangement, interest is calculated on the net position of the School Tax Loss Compensation Fund.

The Fund's share of this interest is allocated to it by the General Revenue Fund on a quarterly basis using the Government's thirty day borrowing rate.

5. Compensation to School Divisions

The following lists the organizations that have or will receive money from the Fund for the year ended March 31, 2001.

Organization	Amount	
	2001	Restated 2000 (Note 6)
Battle River School Division #60	$ 69,436	$ 48,991
Battlefords School Division #118	182,465	263,327
Biggar School Division #50	25,208	57,857
Broadview School Division #18	54,901	69,679
Buffalo Plains School Division #21	9,988	0
Crystal Lakes School Division #120	0	24,923
Cupar School Division #28	36,242	12,180
Deer Park School Division #26	44,733	51,225
Eastend School Division #8	0	5,048
Kamsack School Division #35	0	17,126
Landswest School Division #123	16,579	18,668
Maple Creek School Division #17	0	34,630
Meadow Lake School Division #66	58,062	4,137
Northern Lakes School Division #64	78,917	254,414
Paynton School Division #102	0	100,744
Potashville School Division #80	48,148	148,081
Prairie View School Division #74	0	260,236
Regina(East) School Division #77	0	27,527
Saskatchewan Rivers School Division #119	0	50,972
Saskatchewan Valley School Division #49	37,173	121,998
Saskatoon(West) School Division #42	2,956	0
Scenic Valley School Division #117	6,174	107,746
Shamrock School Division #38	0	24,011
Turtleford School Division #65	69,501	0
Wadena School Division #46	0	19,076
Wakaw School Division #48	20,447	91,610
Yorkdale School Division #36	20,018	0
Total	$ 780,948	$ 1,814,206

6. Restatement of Prior Years Results

The comparative figures for the 2000 year have been restated to record accounts receivables and payables that were previously recorded in another fiscal year. These receivables and payables resulted from additional land within school divisions being set apart as Indian reserves. The effect of the restatement is as follows:

	2001	2000
Increase in accounts receivable		$ 691,851
Increase in accounts payable		518,888
(Decrease) in contributions		(90,599)
(Decrease) in compensation to school divisions		(67,949)
Increase in fund balance, beginning of year	$ 172,963	195,613